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C O N F I D E N T I A L ZAGREB 002200

SIPDIS

DEPARTMENT FOR EUR/SCE - NARDI/KABUMOTO

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TAGS: [PREL](#) [PGOV](#) [PHSA](#) [PBTS](#) [HR](#) [NATO](#)

SUBJECT: CROATIAN ELECTIONS PUT OUR BILATERAL ISSUES ON HOLD

REF: ZAGREB 2033

Classified By: Poloff Justin Friedman, reasons 1.5 (b) & (d)

#### Summary

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11. (C) With the parliamentary campaign heating up, some bilateral issues have been put on hold until they can be addressed without political interference. In separate meetings, Presidential Foreign Policy Affairs Advisor Ivica Mastruko and MFA Assistant Minister for Non-European Affairs Drazen Margeta told the DCM that plans to discuss an ICC non-surrender agreement and a deployment of Croatian troops to Iraq will have to wait for the next government. Mastruko criticized the Sabor's declaration of an economic and fishing zone in the Adriatic as a purely political move aimed at swaying voters in the upcoming elections. Margeta said movement on IPR issues would also have to wait until after the new parliament settles in. End Summary.

#### Article 98

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12. (C) In separate meetings to discuss ongoing U.S. concerns about doing business with Libya (septel), DCM expressed continued U.S. interest in pursuing an Article 98 agreement with Croatia with Presidential Foreign Policy Affairs Advisor Ivica Mastruko on October 6 and MFA Assistant Minister for Non-European Affairs Drazen Margeta on October 7. Mastruko, who attended the meeting between President Mesic and A/S Rademaker on September 23 in NY, said that President Mesic felt Croatia could not sign an Article 98 agreement until ICTY indictments of Croatian citizens had been satisfactorily resolved. Mastruko believed that this could be achieved by the end of this year, although he noted that the ICTY gameplan cited the end of 2004 as the deadline for issuing all indictments. When the DCM noted that the Croatian Government had also cited EU restrictions as preventing the conclusion of an Article 98 agreement, Mastruko said that the president's position on this issue was autonomous from that of the Government. He suggested that Mesic did not have a position regarding EU restrictions.

13. (C) Assistant Minister Margeta reiterated the GoC's interest in finding a mutually agreeable formulation on extradition that would include Article 98-like provisions. DCM welcomed Croatian engagement on the issue, but said that the proposed framework would not satisfy U.S. needs. He noted that 66 countries had signed Article 98 agreements, including Bosnia, Macedonia, Albania and Romania. Margeta responded that Croatia was different from its neighbors, and the GoC felt itself under considerable public pressure due to the extradition requirements of the ICTY. Nevertheless, Margeta said the GoC would continue to pursue the matter to find a solution acceptable to both sides.

14. (C) DCM said that the standard NATO Status of Forces Agreement addendum that Post had given the GoC in September for review contained language similar to Article 98 without mentioning the Article specifically. GoC agreement to this standard language would be welcomed as another positive step. Margeta said the GoC wanted to get military-to-military cooperation back on track and asked if this SOFA agreement would be enough to secure a waiver of current sanctions under the American Serviceman's Protection Act (ASPA). DCM responded that while no decisions had been made, Croatia would have to build a stronger case for possible waiver. The GoC had taken some positive steps including its contribution of troops for Afghanistan and its assistance on the successful U.S. Navy ship visit to the BiH port of Neum. The GoC's backing away from an Iraq troop contribution was a negative that would need to be overcome.

#### Troops to Iraq

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15. (C) In pointing to President Mesic's statements that Croatia should not send a military contingent to Iraq without a new UNSCR, DCM pointed out to both interlocutors that a new draft resolution was being negotiated in NY and should be available soon. In any event, the government in its June 12 determination that it would commit troops to Iraq had

cited in a diplomatic note to the U.S. Embassy cited UNSCR 1483 as sufficient grounds. Presidential Advisor Mastruko was obviously unaware of the diplomatic note, but made clear that the government's position had changed (reftel). Mastruko and Margeta both confirmed that once a new UNSCR had been approved, the government would move ahead to gain Sabor approval for the deployment.

16. (C) Assistant Minister Margeta agreed with DCM's point that the Iraq mission would not be a typical UN peacekeeping operation, but more like SFOR or KFOR. Margeta said that

Croatian forces were continuing to train for this mission and were ready to go once a decision had been made. He commented that the GoC wanted to improve bilateral relations, and hoped that a UN resolution would facilitate the positive step of a GoC troop contribution for Iraq.

#### Declaration of Fish and Ecology Zone

16. (C) Mastruko lamented the Sabor's decision last Friday to declare a fishing and ecology zone in the Adriatic over the expressed reservations of the EU, Slovenia and Italy. He predicted that this decision, which was taken solely to please the public in advance of the November elections, would cause Croatia substantial problems with the EU, "perhaps bigger than Govotina." Mastruko (HNS) sharply criticized Sabor leader and HSS party leader Tomcic for pushing this proposal through the Sabor. Mastruko said it was the wrong decision taken for the wrong reasons.

17. (C) Margeta observed that the reactions of the EC, Italy and Slovenia to the declaration were not as hard as had been expected. He emphasized that Croatia had a legal right to make this move, which was motivated primarily over concerns for the environment and the fishing economy in the Adriatic. He expected that the next important signal would come when Prime Minister Racan delivered Croatia's answers to the EU questionnaire the following Thursday (10/9) in Brussels. He said the GoC would focus diplomatic efforts for the next year on explaining the need for this move, emphasizing in bilateral discussions with Italy and Slovenia the possibility of "polishing" the declaration.

#### ICTY

18. (C) Mastruko, who left the meeting with the DCM to join President Mesic for his meeting with ICTY Prosecutor Carla del Ponte, said he believed that del Ponte already written her report to the UN Security Council and was only going through the motions in her visit to Zagreb. Mastruko was pleased to hear of the visit by Ambassador Prosper on October 17. He noted that the meeting with State Attorney Bajic would be very useful but that the meeting with Minister of Justice Anticevic-Marinovic would be a waste of time since she will not be in the next government.8 Margeta also welcomed Ambassador Prosper's visit and asked about what del Ponte would be saying to the UN. DCM responded that del Ponte had told the diplomatic community what she had told the GoC; namely, that while cooperation on documentary requests was improving, the Gotovina issue remained a major problem.

#### IPR MOU

19. (SBU) DCM also briefed Mastruko and Margeta on the IPR MOU issue since it has the potential to escalate into a significant bilateral irritant. Croatia was on the watch list and could be elevated to the priority watch list. Margeta noted this issue was very complex and movement would be difficult until after elections and new parliament has settled in. DCM noted that the EU required action on this issue by the end of 2004 as a condition of EU membership and this issue should be dealt with sooner, rather than later.

#### Comment

10. (C) As the parliamentary election campaign heats up, many of our core bilateral issues are being put on hold. Approval for sending troops to Iraq, if the next government supports it, will certainly have to wait until the necessary parliamentary committees are stood up to approve such a decision.

11. (C) On Article 98, Since Mesic has consistently supported actions to burnish Croatia's credentials for EU membership, we tend to believe that Mesic would in the end acquiesce to the government position to follow the EU lead. In addition, the Mesic position to wait until ICTY indictments are resolved will put off until next year ) perhaps well into next year ) any willingness to sign an Article 98 agreement. Having said that, ultimately the Government and not Mesic will decide under what conditions it will sign an Article 98 agreement. End Comment.

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